



CITY OF DURHAM | NORTH CAROLINA

Date: August 17, 2015

To: Thomas J. Bonfield, City Manager
Through: Keith Chadwell, Deputy City Manager
From: Kevin Dick, Director of Economic and Workforce Development
Esther Coleman, Workforce Development Senior Manager
Subject: Superseding of 2014-2016 Job Driven National Emergency Grant Project Ordinance 14672 and approval of the Fifth Amendment to the Workforce Investment Act Contract between the City of Durham and Educational Data Systems Incorporated (EDSI)

Executive Summary

This item recommends the approval of the City of Durham Job Driven National Emergency Grant 2014-2016 Grant Project Ordinance superseding grant project ordinance 14672 to increase the project ordinance by \$72,000, and the approval of the Fifth Amendment to the Workforce Investment Act Contract between the City of Durham and Educational Data Systems Incorporated (EDSI) to increase the contract by \$72,000.

Recommendation

To authorize the City Manager to accept the City of Durham Job Driven National Emergency Grant 2014-2016 Grant Project Ordinance superseding grant project ordinance 14672 funds by executing the grant documents; and

To adopt the City of Durham Job Driven National Emergency Grant 2014-2016 Grant Project Ordinance superseding grant project ordinance 14672 in the amount of \$427,049.00; and

To authorize the City Manager to execute a fifth contract amendment to the original Workforce Investment Act contract between the City of Durham and Educational Data Systems, Incorporated (EDSI) for services to be provided from July 1, 2015, through June 30, 2016, increasing the amount of the original contract by up to \$72,000 for a total contract amount not to exceed up to \$2,011,251.

Background

The Office of Economic and Workforce Development (OEWD) receives Notices of Fund Availability from the North Carolina Department of Commerce, *Division of Workforce Solutions*, periodically during the year as additional funding becomes available or when special funding is awarded.

On July 14, 2015, OEWD staff received written notification from the North Carolina Department of Commerce of the Job Driven National Emergency Grant (JDNEG) award of \$72,000 for On-the-Job Training (OJT) to be used for long-term unemployed clients defined as individuals with twenty-seven weeks of unemployment in aggregate since the December 2007-June 2009 recession.

The Job Driven National Emergency Grant offers opportunities for long-term unemployed to overcome skills gaps through in-demand skills training and On-the-Job training with local businesses. Funds flow from the North Carolina Department of Commerce – Division of Workforce Solutions through the Durham Workforce Development Board/OEWD.

These funds are being added to the contract between the City of Durham and Educational Data Systems Incorporated (EDSI) to assist these individuals with securing On-the-Job Training opportunities.

Issues/Analysis

The funds received for JDNEG grants will allow OEWD through the contracted service provider (EDSI) to provide On-the-Job Training opportunities for up to an additional 10, for a total of up to 35, long-term unemployed clients with various in-demand occupations. These opportunities will allow WIA clients to overcome skills gaps and gain full-time employment.

For this grant, the client must be a long-term unemployed client with 27 weeks in aggregate of unemployment since the December 2007-June 2009 recession. A contract is formed between a business with an open position and EDSI for the purpose of developing a training program for the client related to his/her assessed skills gap. The business is provided a subsidy of up to 90% of the new hire's wages dependent on the number of individuals employed by the company.

Alternatives

Council may choose not to approve the Grant Project Ordinance, or may choose to approve specific line items within the Grant Project Ordinance. If Council chooses not to approve the Grant Project Ordinance, OEWD would have a lower operating budget and would have less resource capacity to implement the employment and training objectives outlined in the Issues/Analysis section.

Additionally, Council may choose to not approve the contract amendment with EDSI which would greatly impact the ability to utilize these funds to assist WIA clients in overcoming skills gaps and gaining full-time employment.

Financial Impact

WIA funds are federal formula dollars administered by OEWD. Funding or not funding this item will have no impact on the City's general fund.

SDBE Summary

An SDBE summary is inapplicable because no project-specific goals have been set and no SDBEs are involved in this item.

Attachments

City of Durham Job Driven National Emergency 2014-2016 Grant Project Ordinance
Superseding Project Ordinance 14672, 1 page.

Letter of Award Notification for Job Driven National Emergency Grant dated July 14, 2015, 1 page.

Fifth Amendment to Workforce Investment Act Contract between the City of Durham and Educational Data Systems Incorporated (EDSI), 5 pages.